

**PROPERTY ASSESSMENT APPEAL BOARD**  
**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

PAAB Docket No. 14-32-0297

Parcel No. 08-31-427-002

**StateLine Cooperative,**

Appellant,

v.

**Emmet County Board of Review,**

Appellee.

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**Introduction**

This appeal came on for hearing before the Property Assessment Appeal Board (PAAB) on October 7, 2015. Adam C. Van Dike of Brown, Winick, Graves, Gross, Baskerville and Schoenbaum, PLC in Des Moines represented StateLine Cooperative (StateLine). Attorney Brett Ryan of Watson and Ryan, PLC in Council Bluffs represented the Emmet County Board of Review.

StateLine is the owner of an industrial feed mill located at 5265 206th Street in Armstrong, Iowa. The subject property was constructed in 2013 and consists of seven structures, including a feed mill, warehouses, storage bins, a Quonset, and eighteen yard items on a 5.5-acre site.

The property's January 1, 2014, assessment was \$4,272,900, allocated as \$130,000 in land value and \$4,142,900 to improvement value. StateLine's protest to the Board of Review claimed that \$3,402,200 of the property was exempt under section 441.37(1)(a)(1)(c).

StateLine claimed the property in dispute is machinery used in a manufacturing establishment, which is exempt under section 427B.17. Section 427A.1(1)(e) provides that, unless exempt, machinery used in manufacturing establishments is taxed as real property. However, section 427B.17(3) provides that the machinery designated in

section 427A.1(1)(e) would be exempt from taxation beginning in 1995. The Board of Review denied StateLine's petition. StateLine re-asserted its claim to PAAB and asserts the subject property's assessment should be \$870,700, allocated \$130,000 to land value and \$740,700 to improvement value.

### **Findings of Fact**

There is no dispute that StateLine combines and processes raw ingredients, such as corn, soybean meal, and wheat midds, into meal and pellet livestock feed. The Board of Review concedes the subject property is a manufacturing facility. As such, StateLine is eligible to have any machinery exempted from taxation. The question for PAAB is whether the items identified by StateLine fall under the category of machinery for the purposes of assessment.

StateLine identified each assessed property item it considered to be taxable as real property and that which it considered exempt as machinery used in manufacturing. Undisputed items of real property and their assessed values are listed in Table 1.

Table 2 lists the items, which are presently assessed as real property, that StateLine claims is exempt machinery. We note, it claims Building 1, the feed mill, is partially exempt and should be valued at \$52,000. In total, StateLine asserts there is \$3,402,200 worth of machinery and equipment that should be exempt from taxation. Upon removal, StateLine asserts the correct assessed value of this property should be \$870,700. (Ex. 2).

<b>Property</b>	<b>Amount</b>
Undisputed Property - Assessed Value	\$870,700
Disputed Property - Claimed Exemption	\$3,402,200
Total Property Value	\$4,272,900

David Edge, Chief Financial Officer of StateLine, prepared the list of property StateLine claims should be exempt from taxation. (Ex. 2). Edge used the assessor's property record card (Ex. 9) for the descriptions and values. Using an aerial photograph

of the facility (Ex. 5), Edge explained that on the left side is a warehouse, on the right side are grain bins, and the middle portion from the floor up and sticking out of the roof is the feed mill. (Tr. pp. 18-19). He testified that Building 1 is the main structure at the facility, which houses the feed mill.

Edge testified that Exhibit 10 shows photographs of the ingredient bins, load-out bins, distributor, stubbing spouts, and other equipment during and after construction. (Tr. pp. 19-25). He explained there are roughly 42 bins counting both the ingredient bins and load-out bins for finished product. Ingredients entering the mill on the ground level move up through the legs of the conveyors into a gravity-fed spout in the top of the distributor. The ingredient bins receive all incoming ingredients through the top, store them, and then provide for a continuous flow process. The finished feed is moved into the load-out bins and held until distributed out the bottom into a semi delivery truck. The cone-shaped top is a distributor that rotates and directs the ingredients into the appropriate bins. Building 1 also houses a grinder, mixer, pelleter, and surge. The exterior walls of the ingredient bins and load-out bins are the exterior walls of the structure, which he considers part of the machinery.

Edge reported only the floor and portions of the wall of Building 1 are not involved in feed manufacturing and are real property. (Tr. pp. 25-30). He values the taxable portions at \$52,000 and the exempt portions at \$1,633,900. He calculated the \$52,000 by the 2228 square footage space times the \$23.60 per-square-foot cost, which was used by the assessor to value warehouse space.

We note the IOWA REAL PROPERTY APPRAISAL MANUAL values feed mills on a per-cubic-foot basis that includes work floors, distribution floors, and truck loading and unloading areas. MANUAL 6-138, available at <https://tax.iowa.gov/iowa-real-property-appraisal-manual> (last visited Feb. 18, 2016). The MANUAL directs to add value for a feed mill's basement on a per-square-foot basis, depending on depth. *Id.* The property record card indicates the subject feed mill has a basement depth of 16 feet, which corresponds to a value of \$43.50 per-square-foot in the MANUAL. *Id.* Per the property record card, the feed mill's basement alone is valued at \$146,900 before the application of the grade multiplier and depreciation adjustments.

The property record card also shows the feed mill and steel grain storage bins are supported by reinforced concrete foundations ranging from twelve to twenty-four inches. The MANUAL provides a cost schedule for reinforced concrete foundations based on pounds. *Id.* 4-5. The property record does not disclose the value attributable to the foundations and StateLine offered no evidence of their value. However, we recognize the construction costs indicate the cost of the feed mill building concrete to be \$515,200. (Ex. E).

Edge testified that on its internal financial reports, StateLine depreciates machinery and equipment anywhere between five and twenty-five years and buildings are depreciated over a forty-year term. (Tr. pp. 35, 39-40). StateLine's internal depreciation report shows the "Feed Mill – Halfa Facility-Building" with a cost of \$2,668,619.72 is being depreciated over forty years. (Ex. F). The "Feed Mill – Halfa Facility-Feed Equipment" with a cost of \$5,069,161.99 is depreciated over twenty-five years. (Ex. F).

The largest of the two grain bins, "Grain Bin—Halfa Feed Mill", has a cost of \$1,251,763.69 and is depreciated over a thirty-five year term. (Ex. F). Likewise, the smaller bin is currently being depreciated over a ten-year term, but was originally constructed in 1989. (Ex. F; Tr. pp. 132-33).

Cherilyn Kirchau, Feed Department Manager, testified on behalf of StateLine and explained the manufacturing process at the subject facility. (Tr. pp. 51-67). Kirchau testified the process is fully integrated and continual when the plant is operating. (Tr. pp. 67-69). She then went on to describe the various pieces of machinery and equipment in each of the Buildings listed on Exhibit 2. (Tr. pp. 69-109).

Building 1 (Tr. pp. 69-71) – Kirchau explained that Building 1 of 7 (Feed Mill) contains the 42 ingredient and load-out bins, the distributor leg components, three legs, two roller mills, a scale, a mixer, a surge, a pellet mill, and a micro-bin system. (Tr. p. 70).

Buildings 2 & 3 (Tr. pp. 71-75) – The only items that StateLine contends are exempt in Buildings 2 & 3 are two truck scales. The scales are roughly the size of a semi-tractor and trailer. The scales weigh the trucks and the respective ingredients they

hold before they enter into the manufacturing process via the dump pits located in the buildings.

Building 4 (Tr. pp. 75-77) – StateLine does not contend any items related to Building 4 are exempt.

Building 5 (Tr. pp. 77-79) – Building 5 contains a steel grain storage bin, aeration floor, fans and dryers, and a power sweep. Kirchau described the aeration floor as a corrugated floor that, when used in conjunction with the fans, allows for air movement in the storage bin. The power sweep pivots the diameter of the bin to push grain toward holes above the reclaim conveyor.

Building 6 (Tr. pp. 79-82) – Building 6 contains similar components as Building 5, but Kirchau testified it does not contain a power sweep. She testified it previously contained a power sweep that was removed after the assessment date.

Building 7 (Tr. pp. 82-83) – StateLine does not contend the Quonset building is exempt.

Yard Items (Tr. pp. 83-109) – The property also contains a number of Yard Items that mainly include tanks, bucket conveyors (legs), and drag conveyors. Kirchau testified that insulated fat tanks are used to maintain choice white grease in liquid form, which is then metered from the tank into the mixer. She generally described that bucket conveyors, or legs, contain a belt that has cups on it that grab product and moves it vertically to another location in the manufacturing process. Drag conveyors contain a chain with paddles that moves product horizontally through the manufacturing process.

On cross-examination, Kirchau testified that the ingredient bins hold the unprocessed, non-corn material for a short period of time, but that no processing of the material occurs while being held in the bins. (Tr. p. 113). Similarly, the load-out bins hold the manufactured product before being loaded into trucks, weighed, and sent out for delivery. (Tr. pp. 113-16).

Ted Goslinga, appraiser for Vanguard Appraisals, testified for the Board of Review. Goslinga prepared the assessment, which was adopted by Emmet County Assessor Barbara Bohm. (Tr. pp. 143-44). Goslinga stated he has assessed between 50 and 100 feed mills like the subject. (Tr. p. 158). In determining what was machinery

and equipment, he relied on the determination of the Department of Revenue as expressed in the IOWA REAL PROPERTY APPRAISAL MANUAL. (Tr. p. 160). Items included in the MANUAL were valued as real estate. (Tr. pp. 160-62). Conversely, items not included in the MANUAL were not valued. (Tr. pp. 173-74). Goslinga indicated that he has not seen a scenario or authority in which a foundation under a grain bin would be treated as machinery or equipment. (Tr. p. 166).

Goslinga also testified to his opinion of when the manufacturing process begins and ends. He stated:

Well, according to the manual and the Department of Revenue, the process begins when the corn comes in and hits the hammermill. That's when the process begins. Same way with the ingredients. When the ingredients hit the mixture, that's where the process begins.

The process ends when that finished product dumps onto the conveyor that runs to the leg and over to the lout-out bins. So anything in between there, if there's any screw [augers], conveyors, hammermills, pellet mills, mixers, scales, we would not assess those as real estate. (Tr. p. 163).

The Board of Review submitted a December 2013 invoice from EBM Construction Inc. to StateLine detailing the itemized construction costs for the facility. (Ex. E). The project had a total cost of over \$8.9 million. When compared with the property record card and Exhibit 2, the itemized cost list demonstrates that the current assessment does not include certain items, such as mixers, grinders, and augers.

## **Conclusions of Law**

PAAB has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2015). PAAB is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case.

§ 441.37A(1)(b). PAAB considers only those grounds presented to or considered by the Board of Review, but determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount.

§§ 441.37A(1)(a-b). New or additional evidence may be introduced, and PAAB considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In an exemption case, PAAB “strictly construe[s] a statute and any doubt about an exemption is resolved in favor of taxation.” *Carroll Area Child Care Center, Inc. v. Carroll Cnty. Bd. of Review*, 613 N.W.2d 252, 254 (Iowa 2000); *Wendling Quarries, Inc., v. Property Assessment Appeal Board*, 865 N.W.2d 635 (Iowa App. Ct. 2015); *Splash Enterprises, L.C. v. Polk Cnty. Bd. of Review*, 807 N.W.2d 157, 2011 WL 3925415, at \*3 (Iowa Ct. App. 2011). It is StateLine’s burden to prove it is entitled to the benefit of the exemption. § 441.21(3); *Sherwin-Williams Co. v. Iowa Dep’t of Revenue*, 789 N.W.2d 417, 424 (Iowa 2010).

StateLine claims various parts of its property is machinery used in a manufacturing establishment and is exempt from taxation under Iowa Code sections 427A.1(1)(e) and 427B.17(3). The Board of Review disagrees and asserts the property StateLine claims to be exempt is not machinery and, even if it were, it is not used directly in the manufacturing process and therefore not subject to exemption. The Board of Review affirmatively argues that the disputed items are listed and valued in the IOWA REAL PROPERTY APPRAISAL MANUAL, which assessors are required to utilize, and the MANUAL’S inclusion of these items is dispositive of their taxable status. Lastly, the Board of Review contends that StateLine has not established the value of any of the property it claims to be exempt and, as a result, its exemption claim must fail.

Sections 427A.1(1)(e) and 427B.17(3) effectively exempts, “Machinery used in manufacturing establishments,” from real property tax. The parties stipulate that StateLine is a manufacturer. Machinery is not defined by this section other than to state, “The scope of property taxable under this paragraph is intended to be the same

as, and neither broader nor narrower than, the scope of property taxable under section 428.22, Code 1973, prior to July 1, 1974).” *Id.*

The parties have not offered nor can PAAB find any case law interpreting the meaning of the phrase “machinery used in manufacturing establishments” in a precedential case with similar factual similarities and legal arguments. The Board of Review contends that only property items that directly participate in the processing of material into finished product can be considered machinery used in a manufacturing establishment for the purposes of section 427A.1(1)(e). StateLine essentially argues for a broader interpretation that would include property items that do not directly participate in the manufacturing or modification of material into a finished product, but are nonetheless necessary to the manufacturing process.

We find the plain and express language of the statute indicates the Board of Review’s desired interpretation is too narrow. *Kay-Decker v. Iowa State Bd. of Tax Review*, 857 N.W.2d 216, 223 (Iowa 2014) (indicating that where a statute is unambiguous, the court must look no further than the statute’s express language). The phrase “machinery used in manufacturing establishments” in section 427A.1(1)(e) does not contain any requirement that the machinery be directly used in the processing of material into finished product. This is consistent with the Department of Revenue’s interpretation as well. Iowa Admin. R. 701-71.7 states that “industrial machinery referred to in Iowa Code section 427A.1(1)“e” shall include *all* machinery used in manufacturing establishments.” (emphasis added). As a result, machinery used in a manufacturing establishment that does not directly manufacture, refine, purify, combine, or package material is within the scope of section 427A.1(1)(e).

*Griffin Pipe Products Co., Inc. v. Bd. of Review of County of Pottawattamie* supports this broad interpretation. 789 N.W. 2d 769 (Iowa 2010). In *Griffin Pipe*, the Iowa Supreme Court was faced with the question of whether common law fixtures could also be machinery under subsection (e) and thus exempt from taxation. *Id.* The Court noted that Rule 701-71.7 “implicitly suggests that subsection (e) must be given a broad interpretation to include common law fixtures.” *Id.* at 774. It further determined that it “would not supply a limitation that the legislature declined to provide.” *Id.* at 775. The



Court held that common law fixtures *may* constitute machinery used in a manufacturing establishment. *Id.* at 775-76.

The Board of Review also argues that the assessment correctly includes all property listed in the IOWA REAL PROPERTY APPRAISAL MANUAL, which assessors are required to use under the law. “The Board [of Review] correctly points out that the county assessor is required by law to use a state appraisal manual prepared by the director of the department of revenue.” *Soifer v. Floyd County Bd. of Review*, 759 N.W.2d 775, 791 (Iowa 2009) (citing Iowa Code § 421.17(17)). The Board of Review’s position is that by including items in the MANUAL, the Department of Revenue has made the implicit interpretation that these items are assessable as real property. Thus, PAAB should hold the items are taxable. StateLine counters that the MANUAL does not determine whether property is considered machinery used in a manufacturing establishment.

The MANUAL is used to *value* property and exemption questions are separate from valuation. See § 441.21(1)(h) (noting “the assessor shall determine the *value* of real property in accordance with [...] [the] manual”) (emphasis added). Notably, nowhere does the MANUAL signify it is determinative of the taxable status of any particular type of property. Rather, it is an assessor’s statutory duty to assess property not exempt from taxation and, as the case may require, revoke an exemption and assess property the assessor “believes has been erroneously exempted from taxation.” § 441.17(2), (11). This statutory language contemplates an assessor’s participation in the determination of what property is subject to taxation, and we are unconvinced by the Board of Review’s argument that this duty is abrogated by the requirement that assessors use the MANUAL. Moreover, in *Wendling Quarries, Inc., v. Property Assessment Appeal Board*, the Iowa Court of Appeals held that a pit-less truck scale, which was included and valued in the MANUAL, was equipment under Iowa Code section 427A.1(1)(d). 865 N.W.2d 635 (Iowa App. Ct. 2015). The court remanded the case to PAAB to determine if the exception under section 427A.1(3) applied, which would render the scale exempt from taxation. *Id.* Thus, the mere inclusion of an item in the MANUAL does not conclusively determine its taxable status as real property.

Having decided that machinery need not directly participate in the manufacturing process to receive an exemption, we now must decide if the disputed items are machinery. The parties have not cited to any statutory definitions of the term “machinery” and, as a result, we turn to other existing definitions. *Sherwin-Williams Co.*, at 424-25. The Board of Review offers no definition for the term “machinery.” StateLine cites to Iowa Administrative Code rule 701-71.1(7)(b)(1) as an applicable definition of the term. Rule 701-71.1(7)(b)(1) relates to the classification of real estate and defines machinery to include “equipment and devices, both automated and non-automated, which is used in manufacturing as defined in Iowa Code section 428.20.”

The Merriam-Webster dictionary defines machinery as “machines of a particular kind or machines in general.” *Machinery Definition*, MERRIAM-WEBSTER.COM, <http://www.merriam-webster.com/dictionary/machinery> (last visited February 18, 2016). See also *Machinery Definition*, DICTIONARY.COM, <http://dictionary.reference.com/browse/machinery?s=t> (last visited Feb. 18, 2016) (describing machinery as “an assemblage of machines or mechanical apparatuses”). A machine is defined as “a piece of equipment with moving parts that does work when it is given power from electricity, gasoline, etc.” *Machine Definition*, MERRIAM-WEBSTER.COM, <http://www.merriam-webster.com/dictionary/machine> (last visited February 18, 2016). Black’s Law defines machine as “a device or apparatus consisting of fixed or moving parts that work together to perform some function.” MACHINE, Black’s Law Dictionary (10th ed. 2014)

Given the broad language used by the legislature and as interpreted by the court in *Griffin Pipe*, we conclude the disputed items listed below fall squarely within the meaning of 427A.1(1)(e) as machinery used in a manufacturing establishment and thus should be exempt from taxation. We resolve any doubt on interpretation in favor of the taxpayer. *Rose Acre Farms, Inc. v. Bd. of Review of Madison Cnty.*, 479 N.W.2d 260, 263 (Iowa 1991) (citing *Iowa Dep’t of Transp. v. General Elec. Credit Corp.*, 448 N.W.2d 335, 341 (Iowa 1989)). Substantial evidence shows this machinery is used in StateLine’s facility to move, store, and weigh inputs and outputs of StateLine’s

manufacturing process. Further, we note the value of the total assessment should be reduced for these items.

Item	Value
Scale – Truck	\$185,500
Scale – Truck	\$107,100
Aeration Floor	\$39,100
Fans & Dryers	\$21,300
Fans & Dryers	\$4,800
Power Sweep	\$14,100
Aeration Floor (Bldg 6)	\$5,300
Fans & Dryers	\$2,800
Power Sweep	\$3,200
Bucket Conveyor (Leg)	\$67,300
Bucket Conveyor (Leg)	\$73,700
Bucket Conveyor (Leg)	\$39,200
Bucket Conveyor (Leg)	\$66,800
Drag Conveyor	\$38,600
Drag Conveyor	\$49,000
Drag Conveyor	\$11,100
Bucket Conveyor (Leg)	\$103,700
Drag Conveyor	\$61,200
Drag Conveyor	\$46,800
Drag Conveyor	\$33,600
Insulated Fat Tank	\$24,500
Insulated Fat Tank	\$15,500
<b>Total</b>	<b>\$1,014,200</b>

Relating to the other items StateLine contends are machinery, we find there is insufficient evidence to show the entirety of the feed mill and steel storage bins are machinery used in a manufacturing establishment. The feed mill and storage bins rest on reinforced steel concrete foundations, which we conclude, do not meet the definition of machinery. Likewise, the feed mill's basement, floor, and walls cannot reasonably be considered to be machinery. While these items may be necessary to house and support machinery, they are not themselves machinery.

Importantly, the assessor's valuation for the feed mill and two steel grain storage bins includes the foundations, walls, ceiling, basement, and any potential machinery

contained therein. So, while certain items contained within these structures could be machinery, StateLine has not shown the correct value of the exempt portions or the correct value of the remaining taxable portions of the property.

Edge attempted to determine a value for the portions of the feed mill he believed to be taxable and came to a conclusion of \$52,000. He testified that he determined this value by using the base per-square-foot rate for warehouse space (\$23.60) and multiplied the rate by 2228, which is the total above-grade square footage floor area of the feed mill. (Tr. pp. 25-30).

Edge's methodology valuing the feed mill as if it were a warehouse results in a failure to account for the contributory value of the feed mill's components. For example, the basement offers significant value to the feed mill's operation and the real estate. The basement houses the conveyor system, is a space that appears vitally important to the facility's operation, and its value should be included in the assessment. Similarly, Edge's approach does not account for the feed mill's wall height needed to accommodate and house the ingredient storage bins. Again, this space seems to be necessary to the facility's operation and is a valuable part of the real estate.

Further, we recognize the construction cost for the feed mill building concrete alone was \$515,200. (Ex. E). Other construction costs for taxable portions of the feed mill well exceed \$500,000. (Ex. E). Given the disparity between Edge's value and the feed mill's construction cost, we believe Edge's conclusions underestimate the value of the taxable property and we decline to rely on his conclusions. StateLine made no attempt to conclude a value of the taxable portions of the grain storage bins.

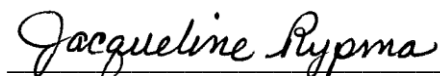
Given the foregoing, there is an absence of any reliable evidence showing the respective value of the exempt and taxable portions of the feed mill and grain bins. Because StateLine bears the burden in this appeal, this absence of evidence is to its detriment. § 441.21(3); *Carlson Co. v. Bd. of Review of City of Clinton*, 572 N.W.2d 146, 150-15 (Iowa 1997) (describing taxpayer's evidence of market value of equipment, molds, forklifts, and computers). Accordingly, we affirm the assessment of the feed mill and grain storage bins.

## Order

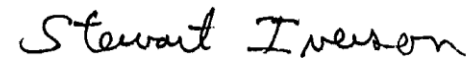
IT IS THEREFORE ORDERED that the Emmet County Board of Review's action is modified. PAAB orders that the Board of Review shall remove the value of the exempt machinery valued at \$1,014,200 from the subject's 2014 assessment.

This Order shall be considered final agency action for the purposes of Iowa Code Chapter 17A (2015). Any application for reconsideration or rehearing shall be filed with PAAB within 20 days of the date of this Order and comply with the requirements of PAAB administrative rules. Such application will stay the period for filing a judicial review action. Any judicial action challenging this Order shall be filed in the district court where the property is located within 20 days of the date of this Order and comply with the requirements of Iowa Code sections 441.38; 441.38B, 441.39; and Chapter 17A.

Dated this 26th day of February, 2016.



Jacqueline Rypma, Presiding Officer



Stewart Iverson, Board Chair



Karen Oberman, Board Member

Copies to:

Adam C. Van Dike

Brett Ryan

AUDITOR

**Table 1 - Undisputed items of real property and their assessed values**

	<b>Description</b>	<b>Assessed Value</b>
Land	Land	\$ 130,000
Building 2 of 7	Feed Warehouse	\$ 329,100
	Door	\$ 19,000
	Door	\$ 900
	Dump Pit	\$ 13,100
Building 3 of 7	Feed Warehouse- Receiving	\$ 105,900
	Door	\$ 9,500
	Dump Pit	\$ 13,100
Building 4 of 7	Feed Warehouse- Boiler Room	\$ 43,400
	Door	\$ 4,400
Building 7 of 7	Quonset	\$ 24,000
Yard Item #3	Tank- Containment Area	\$ 8,400
Yard Item #11	Leg Towers	\$ 60,000
Yard Item #13	Tank- Containment Area	\$ 9,000
Yard Item #14	Tank- Small Bulk	\$ 12,600
Yard Item #15	Equipment Building	\$ 14,700
Yard Item #19	Tank- Containment Area	\$ 9,000
Yard Item #20	Tank- Small Bulk	\$ 12,600
	<b>Total Value</b>	<b>\$ 818,700</b>

**Table 2 – Property StateLine claims is exempt machinery and equipment used in manufacturing**

Building	Description	Assessed Value	Adjustment Requested	Appellant Value	Description
Building 1 of 7	Feed Mill	\$1,685,900	\$(1,633,900)	\$52,000	Ingredient/Load Out Bins
Building 2 of 7	Scale- Truck	\$185,500	\$(185,500)		Truck scale
Building 3 of 7	Scale -Truck	\$107,100	\$(107,100)		Truck scale
Building 5 of 7	Steel Grain Storage Bin	\$676,100	\$(676,100)		Ingredient
	Aeration Floor	\$39,100	\$(39,100)		To maintain product integrity
	Fans & Dryers	\$21,300	\$(21,300)		To maintain product Integrity
	Fans & Dryers	\$4,800	\$(4,800)		To maintain product Integrity
	Power Sweep	\$14,100	\$(14,100)		Ingredient Conveyor
Building 6 of 7	Steel Grain Storage Bin	\$78,000	\$(78,000)		Ingredient Bin
	Aeration Floor	\$5,300	\$(5,300)		To maintain product Integrity
	Fans & Dryers	\$2,800	\$(2,800)		To maintain product integrity
	Power Sweep	\$3,200	\$(3,200)		Ingredient Conveyor
Yard Item (1)	Insulated Fat Tank	\$24,500	\$(24,500)		Ingredient Bin
Yard Item (2)	Insulated Fat Tank	\$15,500	\$(15,500)		Ingredient Bin
Yard Item (4)	Bucket Conveyor (Leg)	\$67,300	\$(67,300)		Ingredient Conveyor
Yard Item (5)	Bucket Conveyor (Leg)	\$73,700	\$(73,700)		Ingredient Conveyor
Yard Item (6)	Bucket Conveyor (Leg)	\$39,200	\$(39,200)		Ingredient Conveyor
Yard Item (7)	Bucket Conveyor (Leg)	\$66,800	\$(66,800)		Finished Product Conveyor
Yard Item (8)	Drag Conveyor	\$38,600	\$(38,600)		Ingredient Conveyor
Yard Item (9)	Drag Conveyor	\$49,000	\$(49,000)		Ingredient Conveyor
Yard Item (10)	Drag Conveyor	\$11,100	\$(11,100)		Ingredient Conveyor
Yard Item (12)	Bucket Conveyor (Leg)	\$103,700	\$(103,700)		Ingredient Conveyor
Yard Item (16)	Drag Conveyor	\$61,200	\$(61,200)		Ingredient Conveyor
Yard Item (17)	Drag Conveyor	\$46,800	\$(46,800)		Ingredient Conveyor
Yard Item (18)	Drag Conveyor	\$33,600	\$(33,600)		Ingredient Conveyor
	<b>Totals</b>	<b>\$3,454,200</b>	<b>\$(3,402,200)</b>	<b>\$52,000</b>	